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FM AMEMBASSY VIENTIANE

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INFO RUEHZS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS

RUCPDOC/DEPT OF COMMERCE WASHDC

RULSDMK/DEPT OF TRANSPORTATION WASHDC

C O N F I D E N T I A L VIENTIANE 000066

SIPDIS

E.O. 12958: DECL: 02/10/2019

TAGS: ECON FAIR PREL LA

SUBJECT: LAOS: STILL SEEKING GOL INTERAGENCY CONCURRENCE
FOR THE "OPEN SKIES" AGREEMENT

REF: A. 08 STATE 133568

1B. 08 VIENTIANE 121

1C. 08 VIENTIANE 155

Classified By: Ambassador Ravic R. Huso for reasons 1.4 (b) and (d)

11. (C) SUMMARY: On February 6 the Ambassador met with Minister of Transport and Public Works Sommad Pholsena, who emphasized his commitment to securing Government of Laos (GOL) approval for a bilateral civil aviation agreement negotiated in October 2008. The Minister confessed the still unsatisfied need to gain political buy-in from other ministries, which were apparently not consulted at the senior level in the run-up to the negotiations. Emboffs also met with other Ministry of Public Works officials close to the issue, urging them to finish analyzing the agreement and to send any questions directly to the Embassy as rapidly as possible. The GOL was advised that the United States was unlikely to embrace major changes to the agreement, and informed that its neighbors Vietnam and Thailand had already signed similar agreements. END SUMMARY.

12. (C) In a February 6 meeting with Ambassador Huso, Minister of Transport and Public Works Sommad Pholsena emphasized his commitment to getting GOL approval for the bilateral civil aviation agreement negotiated October 2008 with the United States. Minister Sommad explained, however, that he still needs to get political-level buy in from other relevant ministries, mentioning the Ministry of Foreign Affairs and Ministry of Justice. He confessed that he had perhaps "delegated too much" in earlier inter-ministerial consultations on the agreement, with the result that other ministries had not focused senior attention on the issue until now. The PM's office, he said, had questioned whether all concerned ministries fully understood and accepted the opening up entailed by the agreement. Ambassador advised that Washington is interested in full Open Skies and is not prepared to consider a more limited or restrictive agreement.

He pointed out that an Open Skies agreement was in Laos' best interest given the fact that its neighbors and competitors - Vietnam and Thailand - have already signed agreements. Saying "If Vietnam and Thailand can sign, why not Laos?", Minister Sommad opined that he anticipated technical clarifications might be the principal need. Ambassador urged the Minister to pass any GOL questions or requests for clarification to the U.S. Embassy as they arise.

The Minister concluded by saying he anticipated the final GOL review could be done in "about a month."

13. (C) The Embassy delivered the information from ref A on December 30, 2008, to Deputy Director General (DDG) of the Department of Civil Aviation Inthanousone Sisanonhof, and on January 28th to the Ministry of Public Works and Transportation's Permanent Secretary Lattanamany Khounnyvong.

The meeting with the Civil Aviation Department focused on technical questions that, according to Mr. Inthanousone, remain outstanding within the GOL, specifically related to seventh freedom rights, intermodal rights, and dispute

settlement. Despite these questions, DDG Inthanousone said that Civil Aviation intended to recommend the GOL sign the agreement.

¶4. (C) Mr. Lattanamany noted that he had been charged by Minister Sommad to make sure the air services agreement is signed and stated that the GOL had put together a "Committee", composed of the "concerned Ministries--Justice, Foreign Affairs, Public Works, Public Security, and the Prime Minister's Office", to review it. According to Mr. Lattanamany, the Committee might finish its review by March. He suggested there were only some small issues remaining to be resolved. Econoff stressed in both meetings that, from a Washington point of view, the agreement had been largely agreed to in October 2008 and that extensive new negotiations are unlikely. Econoff also requested that questions be passed as soon as possible to the Embassy so that technical experts in Washington could address any Lao concerns.

¶5. (C) COMMENT: The Minister clearly understands the potential benefits of an Open Skies agreement and will push it forward through the Lao system. Whether this can be done in a month remains to be seen, but now that the PM's office is involved, the review process will be carried through to a conclusion.

Huso